26. Levy of export duty on tiles, timber and fuel.

Mr. C. P. Kesava Pillai (Member, Quilon taluk) said that the abolition of the export duty on timber was a questionable policy and that, since the abolition of the duty from the 1st Kumbhom 1087, the Forest revenue did not show any substantial increase. There was also no increase in the quantity of timber exported, and the Member quoted, in support of his statement, the following figures, showing the value of the timber exported from 1082 to 1090 :—

Year.	*Price of the timber exported.*
	Rs.
1082	5,51,675
1083	3,95,009
1084	4,57,660
1085	4,03,010
1086	3,76,816
1087	3,26,116
1088	(Figures not available).
1089	3,51,046
1090	6,60,105

The above figures showed that the quantity exported after the abolition of the export duty was below the quantity exported when duty was charged. The increase in 1090 was due to the introduction of the coupe system for the disposal of timber and the abnormal raising of the tariff rates for timber.

The Member next argued that the Forest revenue did not suffer during the years when export duty was charged, as would be seen from the following figures, showing the net revenue under "Forests" during the years 1082—1090.

Year.	*Net Forest Revenue*
	Rs.
1082	1,51,612
1083	1,65,338
1084	2,75,301
1085	2,21,254
1086	3,14,495
1087	2,83,383
1088	5,42,501
1089	5,64,460
1090	5,40,839

Regarding the increase in 1088 when compared with the figure for 1087, the Member said that the increase was due to the fact that the price of timber supplied to the Public Works Department was credited in the accounts of the Forest Department at the enhanced tariff rates. The truth of the above fact would become apparent when it was seen that, in the years 1086 to 1090, there had been a rise in the cost of construction of buildings, due to the higher price that had to be paid for timber by the P. W. D.

The Member then pointed out that, in 1088 and the succeeding years, the sale of the costly species of timber had gone down as shown by the following figures : —

Year.	*Quantity of Teak sold in c. ft.*	*Quantity of Blackwood sold in c. ft.*	*All species sold in c. ft.*
1085	4,95,834	20,159	9,90,012
1086	5,76,499	15,163	11,17,434
1087	4,59,700	15,998	11,10,788
1088	4,24,733	14,192	13,56,658
1089	4,01,547	9,703	11,75,652

If the reason for the decrease in sale of teak and blackwood was to be found

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in the raising of the tariff rates, then there should have been at least an increase in the price realised. But that was not the case as shown by the following figures :—

Year.	*Value of Royalties sold.* Rs.
1083	3,72,502
1084	4,91,803
1085	4,02,371
1086	4,44,242
1087	3,54,876
1088	5,37,199
1089	5,18,418

The increase in 1088 and 1089 was, as already stated, due to the fact that the supply made to the Government Departments was shown as sold at tariff rates by book adjustments. There was really a reduction in the sale of timber. The Member supported his argument that there was no fall in revenue when the export duty was being realised, as follows. The average gross revenue under "Forests" during the years 1079 to 1083 was Rs. 6,57,934, and the average net revenue was Rs. 1,65,393, or, in other words, the average gross revenue during the above years was 6½ lacs of rupees and the average net revenue was 1½ lacs of rupees, or roughly 25 per cent of the gross revenue. The average net revenue for the years 1083—1088 came to ⅓ or 33⅓ per cent of the gross revenue.

The average gross revenue for 1089 and 1090 was Rs. 13,46,261 and the average net revenue was Rs. 5,52,649. The net saving effected was only about 40 per cent of the gross receipts and there was no substantial increase when compared with the previous years. The abolition of the export duty did not thus help the Government in bringing any additional revenue to the Forest Department.

The Member then asserted that the following causes contributed to the lack of demand for Government timber, namely, the introduction of the system of sales of timber in coupes, reckless sale of timbers from *puduval* compounds by registry holders, the accumulation of timber in the depots without selling them in auction at proper times, and their wholesale disposal at reduced rates. Regarding the coupe system, the Member said that the system was pernicious, that it enabled contractors to sell the different species of timber at rates considerably below the tariff rates, that the bulk of timber exported in 1090 was from the coupes and that the result was that there was no demand at all for Government timber. The abolition of the export duty also helped foreigners to get Travancore timber at low rates. He also objected to the wholesale disposal of the accumulated stock of timber in the depots at the close of the year to foreign capitalists at considerably reduced rates. Comparing the quantity of timber exported in 1090 (7,16,055 c. ft.) with the price thereof (Rs. 6,60,105), it was found that one cubic foot of timber did not fetch even Re. 1. That showed that the price realised for the exported timber was very low. That was another cogent reason for re-imposing the export duty on timber.

From a statement appended to the Forest Administration Report for 1088, it was seen that the Royal timbers disposed of in the State fetched a price of Re. 1-10-14 cash per cubic foot while the price realised for a cubic foot of exported timber of the same species was only chs 21—c. 11. It was, therefore, clear that only a lower rate was realised for the timber exported from the State. There was also considerable demand for Travancore timber in the outside market. The Member next quoted the following figures to illustrate the amount of revenue realised in the shape of export duty from 1082 to 1087:—

Year.	*Export duty realised.* Rs.
1082	48,524
1083	41,204
1084	45,766
1085	40,301
1086	37,035
1087	17,256

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The figures would show that the Government were getting an appreciable amount from the export duty on timber. Considering all the circumstances detailed above, the Member strongly advocated the urgent necessity of reviving the export duty on timber alike in the interests of Government and of the people.

Since the Tile industry was new in the State and since it was desirable to encourage such local industries, the Member said that he would not press the levy of an export duty on tiles.

The Member said that the export duty on fuel was abolished with effect from 1st Meenom 1087. In 1085 and 1086, a sum of Rs. 10,227 and Rs. 11,255 respectively had been realised in the shape of export duty on fuel. The abolition of the export duty had led to the export of an appreciable quantity of fuel and charcoal. From 1082 to 1090, the average value of the fuel and charcoal exported from the State was Rs. 98,455 per year. The revival of the export duty on fuel and charcoal would, in the Member's opinion, fetch a revenue of at least Rs. 20,000 per year. There was sufficient demand for fuel within the State itself, namely for the use of the Railway, several factories, etc. There was a cry everywhere for want of sufficient fuel. The Member, therefore, suggested that export duty should be re-imposed on fuel and charcoal also.

Dewan's reply.—Noted.

27. Development of trade by the expansion of means of communication.

Mr. K. Kesavan Nair (Member, Muvattupuzha taluk) said that the Government had not afforded sufficient facilities for trade to the people of Muvattupuzha, as in the case of Trivandrum, Quilon, Alleppey and other places, that paddy, cocoanut, tapioca, arecanuts, etc., were produced in abundance in the taluk and that, for want of sufficient means of communication such as good roads, they did not find their way out of the taluk. Excepting the natural means of communication and the one public road that passed through the taluk, there were no other roads in the taluk and, in spite of the repeated prayers of the people, the Government had not done much for the people in that direction. The Main Central Road and the two or three small roads to the east and west of it afforded communication only to a few places. The produce in the interior parts of the taluk had to be carried 10 and 15 miles before they could be taken to the road. There was a road from Thrippunithura to Muvattupuzha through which goods from Cochin found their way to the taluk. That, however, was not useful for the purpose of taking goods to the interior parts of the taluk. To improve the commercial enterprise of the people, it was necessary that communication should be established between Muvattupuzha and Alleppey and that, for that purpose, a road should be opened connecting Muvattupuzha and Vaikam.

The Member, therefore, prayed—

(1) that the road from the 130th mile leading to the 6th milestone on the Kuthattukulam—Piravom road, 7 miles in length, be improved, that a bridge be constructed across the canal between the 2nd and 3rd miles, that two or three culverts be also provided on that road, and that the whole extent of 7 miles be made cartable;

(2) that the following roads be made cartable:—

(*a*) The 6 ft. trace, 13 miles in length, from the 118th mile leading to Piravom through Thalayolaparambu market.

(*b*) The 6 ft. trace from the 114th mile to the Piravom market, 7 miles in length.

(*c*) The village road from Vazhakulam to Kothamangalam, running through the Varappatti and Enanallur *pakuthies*.

(*d*) The village road branching from the 2nd mile on the Muvattupuzha—Kothamangalam road and leading to the Kaliyar Estate.

(*e*) The village road from Muvattupuzha petta leading to the Palakuzha road through Arakuzha.

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